



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

AUG 28 1966

Dear Mr. Stevenson:

I have your letter of August 16, concerning special tax and customs exemptions for Peace Corps Volunteers and staff serving in the Trust Territory.

As you know from our telephone conversations, we are inclined to the view that this matter is more academic than real. On the basis of the information immediately available to us, we doubt that there are any taxes or duties now in effect that would in fact prove onerous to Peace Corps people in the Trust Territory. In addition, given the policy of non-discrimination which will continue to guide the Government of the Trust Territory, and the virtual certainty that any income tax laws that may be enacted will contain credit provisions to avoid double taxation, we believe that no problems of the sort which concern you are likely to arise in the future.

We do want, however, to explore this matter further before responding fully to your letter. The tax study to which you advert is expected to be available about September 1, and we will see that you receive a copy. In the meantime, I am transmitting herewith a copy of the document entitled "Laws and Resolutions" from the 1965 session of the Congress of Micronesia. You will find Public Laws 1-6, 1-9, 1-10, and 1-13 pertinent. We are writing to the High Commissioner to ask his views on the questions raised by our correspondence, and upon hearing from him, we will be in touch with you further.

Sincerely yours,

*Robert E. Vaughan*  
Robert E. Vaughan  
Deputy Assistant Secretary  
Public Land Management

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Enclosure

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